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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

In the matter of: DAVID PAUL SMOOT and MARIE KATHLEEN SMOOT (a.k.a. "KATHY SMOOT"), husband and wife, NATIVE AMERICAN WATER, L.L.C. (d.b.a. "NATAWA"), an Arizona limited liability company, NATAWA CORPORATION (d.b.a. "NATAWA"), a Delaware corporation with a revoked authorization to conduct business in Arizona as a foreign corporation, AMERICAN INDIAN TECHNOLOGIES INTERNATIONAL, L.L.C. (a.k.a. "AITI"), an Arizona limited liability company, Respondents.	DOCKET NO. S-20814A-11-0313 **SECURITIES DIVISION'S OPPOSITION TO RESPONDENTS' REQUEST FOR DISCLOSURE STATEMENT ISSUED BY THE SECURITIES DIVISION UNDER RULE 26.1 OF THE ARIZONA RULES OF CIVIL PROCEDURE.** **(Assigned to Administrative Law Judge Marc E. Stern)**

Arizona Corporation Commission
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Pursuant to the Administrative Law Judge's ("ALJ") order issued during the January 18, 2012 prehearing conference, the Securities Division ("Division") of the Arizona Corporation Commission files its motion in Opposition to Respondents' demand that the Division provide Respondents with a Rule 26.1 Disclosure Statement pursuant to the Arizona Rules of Civil Procedure.

A. BACKGROUND

This case arises from Respondents' sales of unregistered securities for $6,795,500 within and from Arizona to fund Respondents' purportedly successful utilities and other businesses. As a result, the Division filed a detailed thirty-three page Notice of Opportunity for Hearing ("Notice")

against Respondents on October 20, 2011. The legal and factual basis for the Division's claims is set forth in the Notice.

Despite the fact that Respondents failed to generate any profits and no utilities were built, Respondent David Paul Smoot spent approximately $3.2 million of investment funds to pay for personal and/or other questionable expenses. In Response, Respondent David Paul Smoot claims he was "entitled" to salaries of at least $180,000 per year from Respondents: (a) Natawa Corporation and/or Native American Water, LLC; and (b) American Indian Technologies International, LLC, and that Mr. Smoot is even owed money by the companies because Mr. Smoot sold some of his "own" securities issued by the companies. The Division alleges that Mr. Smoot's "salaries" and use of investor funds were not adequately disclosed to offerees and investors. **(Notice, ¶¶100-104)**.

Based on undersigned counsel's belief that Respondents did not have a full or accurate accounting of how investor funds were spent, the Division voluntarily provided Respondents with the Division's cash flow accounting analysis, and related work papers or 96 megabyte Microsoft Access database on December 19, 2011, and January 12, 2012.

B. <u>RESPONDENTS' INAPPROPRIATE DISCOVERY DEMANDS</u>

Respondents' counsel has submitted to the Division an enormous number of overreaching requests for all facts, documents and/or information contained in the Division's confidential investigative file (the "Discovery Requests"), and the legal basis of every aspect of the Division's allegations.

Respondents' unreasonable Discovery Requests have included, without limitation, a written August 15, 2011, demand for the Division's entire un-redacted investigative file.[1] On January 9,

[1] The investigative file is confidential pursuant to A.R.S. § 44-2042, and the Division is also required to redact identifying information contained on any documents we produce pursuant to A.R.S. § 41-4171.

2012, Respondents also demanded in writing, under the threat of sanctions, information regarding the date the Division's investigation began.[2]

Merely making repeated and overreaching discovery demands, however, does not warrant having this administrative case governed by the Arizona Rules of Civil Procedure contrary to the law and rules discussed below.

C. LEGAL ANALYSIS

Respondents support their demand for a disclosure statement issued by the Division under Rule 26.1, Ariz. R. Civ. P., by arguing that: (a) the rules and procedures applicable to this proceeding do not expressly permit such disclosure statements; and (b) therefore, the ALJ should implement the Arizona Rules of Civil Procedure because said rules permit disclosure statements. Respondents are not correct for several reasons.

As a threshold matter, R14-3-101(A) actually states that the ALJ may look to the Arizona Rules of Civil Procedure for guidance only when applicable statutes and rules are silent on a particular "procedure." This case is governed by the Arizona Administrative Procedures Act, A.R.S. § 41-1001, *et seq.* ("APA"), and the Rules of Practice and Procedure Before the Commission R14-3-101, *et seq.* ("Rules").

As set forth below, the APA and Rules are not "silent" with respect to information disclosure and discovery procedures as suggested by Respondents.

1. The Arizona Rules of Civil Procedure Are Inapplicable to These Administrative Proceedings, and Rule 26.1 Disclosure Statements Are Prohibited By Applicable Statutes and Rules.

In administrative cases like this one, "[t]he fundamental requirement of due process is the opportunity to be heard 'at a meaningful time and in a meaningful manner.'" *Mathews v. Eldridge*, 96 S. Ct. 893 (1976) quoting *Armstrong v. Manzo*, 380 U.S. 545 (1965). Procedural due process requires confrontation and cross-examination. *Willner v. Committee on Character and Fitness*, 83

[2] Such demanded information is irrelevant to any aspect of the Division's pending Notice. Also, no rule, statute or case law requires the Division to provide such information to Respondents. Further, such information is protected by A.R.S. § 44-2042.

S. Ctr. 1175 (1963). "There is no basic constitutional right to pretrial discovery in administrative proceedings." *Silverman v. Commodity Futures Trading Commission*, 549 F.2d 28 (7th Cir. 1977).

Because they derive from an entirely distinct process, the rules of civil procedure for discovery do not apply in administrative proceedings.[3] *See, e.g., Pacific Gas and Electric Company,* 746 F.2d 1383, 1387 (9th Cir. 1984)*; Silverman v. Commodity Futures Trading Commission,* 549 F.2d. 28, 33 (7th Cir. 1977)*; National Labor Relations Board v. Vapor Blast Mfg. Co.,* 287 F.2d 402, 407 (7th Cir. 1961); *In re City of Anaheim, et al.* 1999 WL 955896, 70 S.E.C. Docket 1848 (the federal rules of civil procedure do not properly play any role on the issue of discovery in an administrative proceeding).

Thus, authority to pursue discovery during the course of an administrative proceeding is not conferred as a matter of right. In fact, courts have repeatedly recognized that there simply is no basic constitutional right to pretrial discovery in administrative proceedings. *See*, *Silverman v. Commodity Futures Trading Commission,* 549 F.2d. 28, 33 (7th Cir. 1977); *see also Starr v. Commissioner of Internal Revenue*, 226 F.2d. 721,722 (7th Cir. 1955), *cert. denied*, 350 U.S. 993, 76 S.Ct. 542 (1955); *National Labor Relations Board v. Interboro Contractors, Inc.*, 432 F.2d 854, 857 (2nd Cir. 1970); *Miller v. Schwartz;* 528 N.E.2d 507 (N.Y. 1988); *Pet v. Department of Health Services,* 542 A.2d 672 (Conn. 1988). Similarly, the federal Administrative Procedures Act echoes this point by offering no provision for pretrial discovery during the administrative process. 1 Davis, *Administrative Law Treatise* (1958), § 8.15, p. 588. In short, there is no constitutional right to discovery in administrative proceedings. Nor does the Constitution require that a respondent in an administrative proceeding be aware of all evidence, information and leads to which opposing counsel might have access. *Pet v. Dep't of Health Serv.,* 207 Conn. 346, 542 A.2d 672 (1988)

[3] This principle is particularly important from a policy standpoint. Indeed, merging civil discovery rules into the administrative arena would have many deleterious results, including: (1) allowing respondents to access confidential investigative information far removed from the witnesses and exhibits relevant to the active case against them; (2) allowing respondents to protract the proceedings indefinitely; (3) allowing respondents to excessively consume scarce but vital resources better expended on other matters necessary for the protection of the public; and (4) allowing respondents to force the agency into the position of a civil litigant rather than into its proper role as a governmental regulatory authority.

quoting Federal Trade Comm'n v. Anderson, 631 F.2d 741, 748 (D.C.Cir. 1979); *Cash v. Indus. Comm'n of Arizona*, 27 Ariz. App. 526, 556 P.2d 827 (App. 1976).

As a threshold matter, under A.R.S. § 41-1062(A)(1) of the APA relating to adjudicative proceedings, an administrative hearing like this one "may be conducted in an informal manner and without adherence to the rules of evidence required in judicial proceedings." Thus, administrative proceedings like this one are intended to be less costly and speedier than civil litigation governed by the Arizona Rules of Civil Procedure that often entails, for instance, costly discovery disputes.[4]

Under A.R.S. § 41-1062(A)(4) of the APA:

> ...Prehearing depositions and subpoenas for the production of documents may be ordered by the officer presiding at the hearing, provided that the party seeking such discovery demonstrates that the party has reasonable need of the deposition testimony or materials being sought...Notwithstanding the provisions of section 12-2212, no subpoenas, depositions or other discovery shall be permitted in contested cases except as provided by agency rule or this paragraph. (Emphasis added).

Therefore, the only forms of pre-trial discovery permitted in administrative proceedings under the APA are: (a) subpoenas, based on a showing of need and authorized by the administrative hearing officer; (b) depositions, based on a showing of need and authorized by the administrative hearing officer; and (c) any other discovery provision specifically authorized under the Commission Rules. Thus, under the APA, the "procedure" for both the parties' exchange of information and discovery is already expressly covered.

The Commission Rules are similarly limited, and state that in addition to depositions conducted, and documents and witness subpoenas issued on a showing of reasonable need, the ALJ may convene pre-hearing conferences and order the parties to exchange their proposed lists of witnesses and exhibits ("LWE") prior to a hearing. *See* R14-3-108(A); R14-3-109(L); R14-3-109(O); and R14-3-109(P).

Applied here, disclosure statements issued under the Arizona Rules of Civil Procedure are

[4] See, R14-3-101(B) ("These [Commission] [R]ules shall be liberally construed to secure just and speedy determination of all matters presented to the Commission.").

inappropriate. As noted above, the APA at A.R.S. § 41-1062(A)(4) states that the ALJ *may* allow Respondents to conduct limited discovery including prehearing depositions and subpoenas for documents upon a showing of "reasonable" need. The Rules also provided for the exchange of lay and expert witness, and documentary information via LWEs.

Thus, the APA and Rules are not "silent" on the issue of information disclosure and discovery and, therefore, Respondents' argument lacks merit.

Further, A.R.S. § 41-1062(A)(4) of the APA *expressly prohibits* any other type of discovery, including disclosure statements issued under Rule 26.1, Ariz. R. Civ. P.[5]

Finally, no provision within the Rules, APA or the Arizona Securities Act require the Division to provide its attorney client and/or work product privileged legal research to Respondents' counsel. Indeed, Respondents' Answer states that Respondents are represented by five attorneys practicing with three separate law firms such that Respondents can perform their own legal research. In short, nothing requires the parties to litigate and/or "prove" the legal aspects of their positions prior to an evidentiary hearing.

Because neither A.R.S. § 41-1062(A)(4) of the APA, nor the Rules allow parties to obtain discovery in administrative proceedings like this one via disclosure statements issued under Rule

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[5] This statute's preclusion of any other types of discovery not specifically listed (*i.e.*, Rule 26.1 disclosure statements) is clear. *U.S. West Communications, Inc. v. City of Tucson*, 198 Ariz. 515, 520, 11 P.3d 1054, 1059 (App. 2000)(when statutory language is clear, unequivocal, and unambiguous, the court must give effect to the language and may not invoke the rules of statutory construction to interpret it); *Circle K Stores, Inc. v. Apache County*, 199 Ariz. 402, 406, 18 P.3d 713, 717 (App. 2001)(there is no magic in statutory construction and no legal legerdemain should be used to change the meaning of simple English words.). Even if this statute and the Rules were construed to be ambiguous, a finding that Rule 26.1 disclosure statements issued under the Arizona Rules of Civil Procedure are improper is still mandated. Had the Arizona Legislature and Commission desired that Rule 26.1 Disclosure Statements could be used in administrative cases like this one, they could have easily and expressly done so. They did not. *See e.g., State v. Fell*, 203 Ariz. 186, 189, 52 P.3d 218, 221 (App. 2003)(under the established rule of statutory construction, *expressio unius est exclusio alterius,* the expression of one or more items of a class indicates an intent to exclude all items of the same class which are not expressed). Rather, the APA and Rules specifically only permit document and witness subpoenas and depositions upon a showing of reasonable need, and the exchange of LWEs. Respondents' incorrect reading of R14-3-101(A) also conflicts with the unambiguous language of R14-3-101(B) which states that the ALJ should interpret the Rules to "secure just and speedy" determinations of all matters presented to the Commission.

26.1, Ariz. R. Civ. P., and additional discovery issued under the Arizona Rules of Civil Procedure is expressly prohibited under A.R.S. § 41-1062(A)(4), Respondents' request for a disclosure statement from the Division should be denied.

2. Respondents Also Cannot Show They Have a Reasonable Need For Such an Unprecedented Discovery Device.

Even assuming that the parties to an administrative matter like this one can be ordered by the ALJ to provide disclosure statements under Rule 26.1, Ariz. R. Civ. P., such an order should still be subject to the established "reasonable need" requirement set forth above.

Respondents cannot show they have a reasonable need to require the Division to provide them with a Rule 26.1, Ariz. R. Civ. P. disclosure statement for several reasons.

First, the ALJ has already ordered the Division to provide Respondents with the Division's list of witnesses and exhibits 60 days before the evidentiary hearing. Because: (a) the Division will be providing Respondents with the evidence referenced in the Notice via its LWE; and (b) the Division has already provided Respondents with its expert accounting analysis and related support, Respondents' request that the Division provide Respondents with a Rule 26.1 disclosure statement should be denied.

Second, any possible finding of reasonable need by the ALJ in this case must overcome and/or outweigh the important policy purpose underlying A.R.S. § 44-2042, which is, in part, to encourage investment victims to freely cooperate with and provide the Division with sensitive information during the investigation phase of administrative cases, without fear of reprisal or embarrassment.[6] As evidenced by just some of the broad discovery demands issued by Respondents referenced in this motion, much of the information required to be disclosed under Rule 26.1, Ariz. R. Civ. P., would be protected at this stage of litigation by the confidentiality

[6] If the Commission or Arizona legislature had intended that respondents in securities enforcement actions like this one were entitled to Rule 26.1 disclosure statements and/or all information contained in the Division's confidential investigative file whether in verbal, written or electronic form, as suggested by Respondents, then they would not have promulgated A.R.S. § 44-2042.

statute of the Securities Act, A.R.S. § 44-2042, and by the attorney client, work product and investigative privileges.

Third, Respondents will be afforded the evidentiary hearing they requested and, at that time, they may cross-examine and/or confront all witnesses offered by the Division, and attempt to dispute the Division's documentary evidence.

Finally, the plain language of the Division's extremely detailed Notice is largely based on the plain language of Respondents' business records and investment solicitation communications. Further, the legal basis for all of the Division's claims is, in fact, set forth in the detailed Notice. For example, and without limitation: (a) the Division's fraud claims are brought under A.R.S. §§ 44-1991 and 44-1999 (**Notice, ¶¶124-126**); (b) the Division's registration claims are brought under A.R.S. §§ 44-1841 and 44-1842 (**Notice, ¶¶119-123**); (c) the Division's claim for restitution is being made under A.R.S. § 44-2032 (**Notice, p.31, ll.15-19**); and (d) the Division's claim for administrative penalties is being made under A.R.S. § 44-2036 (**Notice, p.31, ll.20-21**). In short, there should be no allegation in the Notice that the Respondents cannot confirm or deny from simply reviewing their own records, by interviewing their own investor and other third party witnesses, or by conducting their own legal research.

D. CONCLUSION

As evidenced by the Notice, the Division has already provided Respondents with a detailed explanation of the legal and factual basis of the Division's claims. The Division will be providing Respondents with its proposed list of witnesses and exhibits. Neither the APA nor the Rules allow for discovery via disclosure statements issued under Rule 26.1 of the Arizona Rules of Civil Procedure. In fact, discovery via Rule 26.1 disclosure statements are expressly prohibited under A.R.S. § 41-1062(A)(4) of the APA. Based on the foregoing, the Division respectfully requests the ALJ to deny Respondents' request that the Division provide to Respondents a disclosure statement issued under Rule 26.1, Ariz. R. Civ. P.

RESPECTFULLY SUBMITTED this 3rd day of February, 2012.

ARIZONA CORPORATION COMMISSION

By_____
Mike Dailey
Attorney for the Securities Division of the
Arizona Corporation Commission

ORIGINAL AND EIGHT (8) COPIES of the foregoing filed this ___ day of February, 2012 with:

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Phoenix, AZ 85007

COPY of the foregoing hand-delivered this ___ day of February, 2012 to:

Marc E. Stern
Administrative Law Judge
Arizona Corporation Commission/Hearing Division
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing mailed this ___ day of February, 2012 to:

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_____

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

In the matter of: DAVID PAUL SMOOT and MARIE KATHLEEN SMOOT (a.k.a. "KATHY SMOOT"), husband and wife, NATIVE AMERICAN WATER, L.L.C. (d.b.a. "NATAWA"), an Arizona limited liability company, NATAWA CORPORATION (d.b.a. "NATAWA"), a Delaware corporation with a revoked authorization to conduct business in Arizona as a foreign corporation, AMERICAN INDIAN TECHNOLOGIES INTERNATIONAL, L.L.C. (a.k.a. "AITI"), an Arizona limited liability company, Respondents.	DOCKET NO. S-20814A-11-0313 **SECURITIES DIVISION'S OPPOSITION TO RESPONDENTS' REQUEST FOR DISCLOSURE STATEMENT ISSUED BY THE SECURITIES DIVISION UNDER RULE 26.1 OF THE ARIZONA RULES OF CIVIL PROCEDURE.** **(Assigned to Administrative Law Judge Marc E. Stern)**

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A. BACKGROUND

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[3] This principle is particularly important from a policy standpoint. Indeed, merging civil discovery rules into the administrative arena would have many deleterious results, including: (1) allowing respondents to access confidential investigative information far removed from the witnesses and exhibits relevant to the active case against them; (2) allowing respondents to protract the proceedings indefinitely; (3) allowing respondents to excessively consume scarce but vital resources better expended on other matters necessary for the protection of the public; and (4) allowing respondents to force the agency into the position of a civil litigant rather than into its proper role as a governmental regulatory authority.

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As a threshold matter, under A.R.S. § 41-1062(A)(1) of the APA relating to adjudicative proceedings, an administrative hearing like this one "may be conducted in an informal manner and without adherence to the rules of evidence required in judicial proceedings." Thus, administrative proceedings like this one are intended to be less costly and speedier than civil litigation governed by the Arizona Rules of Civil Procedure that often entails, for instance, costly discovery disputes.[4]

Under A.R.S. § 41-1062(A)(4) of the APA:

> ...Prehearing depositions and subpoenas for the production of documents may be ordered by the officer presiding at the hearing, provided that the party seeking such discovery demonstrates that the party has reasonable need of the deposition testimony or materials being sought...Notwithstanding the provisions of section 12-2212, no subpoenas, depositions or other discovery shall be permitted in contested cases except as provided by agency rule or this paragraph. (Emphasis added).

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Applied here, disclosure statements issued under the Arizona Rules of Civil Procedure are

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inappropriate. As noted above, the APA at A.R.S. § 41-1062(A)(4) states that the ALJ *may* allow Respondents to conduct limited discovery including prehearing depositions and subpoenas for documents upon a showing of "reasonable" need. The Rules also provided for the exchange of lay and expert witness, and documentary information via LWEs.

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[5] This statute's preclusion of any other types of discovery not specifically listed (*i.e.*, Rule 26.1 disclosure statements) is clear. *U.S. West Communications, Inc. v. City of Tucson*, 198 Ariz. 515, 520, 11 P.3d 1054, 1059 (App. 2000)(when statutory language is clear, unequivocal, and unambiguous, the court must give effect to the language and may not invoke the rules of statutory construction to interpret it); *Circle K Stores, Inc. v. Apache County*, 199 Ariz. 402, 406, 18 P.3d 713, 717 (App. 2001)(there is no magic in statutory construction and no legal legerdemain should be used to change the meaning of simple English words.). Even if this statute and the Rules were construed to be ambiguous, a finding that Rule 26.1 disclosure statements issued under the Arizona Rules of Civil Procedure are improper is still mandated. Had the Arizona Legislature and Commission desired that Rule 26.1 Disclosure Statements could be used in administrative cases like this one, they could have easily and expressly done so. They did not. *See e.g., State v. Fell*, 203 Ariz. 186, 189, 52 P.3d 218, 221 (App. 2003)(under the established rule of statutory construction, *expressio unius est exclusio alterius,* the expression of one or more items of a class indicates an intent to exclude all items of the same class which are not expressed). Rather, the APA and Rules specifically only permit document and witness subpoenas and depositions upon a showing of reasonable need, and the exchange of LWEs. Respondents' incorrect reading of R14-3-101(A) also conflicts with the unambiguous language of R14-3-101(B) which states that the ALJ should interpret the Rules to "secure just and speedy" determinations of all matters presented to the Commission.

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Respondents cannot show they have a reasonable need to require the Division to provide them with a Rule 26.1, Ariz. R. Civ. P. disclosure statement for several reasons.

First, the ALJ has already ordered the Division to provide Respondents with the Division's list of witnesses and exhibits 60 days before the evidentiary hearing. Because: (a) the Division will be providing Respondents with the evidence referenced in the Notice via its LWE; and (b) the Division has already provided Respondents with its expert accounting analysis and related support, Respondents' request that the Division provide Respondents with a Rule 26.1 disclosure statement should be denied.

Second, any possible finding of reasonable need by the ALJ in this case must overcome and/or outweigh the important policy purpose underlying A.R.S. § 44-2042, which is, in part, to encourage investment victims to freely cooperate with and provide the Division with sensitive information during the investigation phase of administrative cases, without fear of reprisal or embarrassment.[6] As evidenced by just some of the broad discovery demands issued by Respondents referenced in this motion, much of the information required to be disclosed under Rule 26.1, Ariz. R. Civ. P., would be protected at this stage of litigation by the confidentiality

[6] If the Commission or Arizona legislature had intended that respondents in securities enforcement actions like this one were entitled to Rule 26.1 disclosure statements and/or all information contained in the Division's confidential investigative file whether in verbal, written or electronic form, as suggested by Respondents, then they would not have promulgated A.R.S. § 44-2042.

statute of the Securities Act, A.R.S. § 44-2042, and by the attorney client, work product and investigative privileges.

Third, Respondents will be afforded the evidentiary hearing they requested and, at that time, they may cross-examine and/or confront all witnesses offered by the Division, and attempt to dispute the Division's documentary evidence.

Finally, the plain language of the Division's extremely detailed Notice is largely based on the plain language of Respondents' business records and investment solicitation communications. Further, the legal basis for all of the Division's claims is, in fact, set forth in the detailed Notice. For example, and without limitation: (a) the Division's fraud claims are brought under A.R.S. §§ 44-1991 and 44-1999 (**Notice, ¶¶124-126**); (b) the Division's registration claims are brought under A.R.S. §§ 44-1841 and 44-1842 (**Notice, ¶¶119-123**); (c) the Division's claim for restitution is being made under A.R.S. § 44-2032 (**Notice, p.31, ll.15-19**); and (d) the Division's claim for administrative penalties is being made under A.R.S. § 44-2036 (**Notice, p.31, ll.20-21**). In short, there should be no allegation in the Notice that the Respondents cannot confirm or deny from simply reviewing their own records, by interviewing their own investor and other third party witnesses, or by conducting their own legal research.

D. CONCLUSION

As evidenced by the Notice, the Division has already provided Respondents with a detailed explanation of the legal and factual basis of the Division's claims. The Division will be providing Respondents with its proposed list of witnesses and exhibits. Neither the APA nor the Rules allow for discovery via disclosure statements issued under Rule 26.1 of the Arizona Rules of Civil Procedure. In fact, discovery via Rule 26.1 disclosure statements are expressly prohibited under A.R.S. § 41-1062(A)(4) of the APA. Based on the foregoing, the Division respectfully requests the ALJ to deny Respondents' request that the Division provide to Respondents a disclosure statement issued under Rule 26.1, Ariz. R. Civ. P.

RESPECTFULLY SUBMITTED this 3rd day of February, 2012.

ARIZONA CORPORATION COMMISSION

By _____
Mike Dailey
Attorney for the Securities Division of the
Arizona Corporation Commission

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